

Message Text

CONFIDENTIAL

PAGE 01 PARIS 08604 102214Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 INR-10 NSAE-00 PM-05
NSC-05 SP-02 SS-15 EB-08 COME-00 TRSE-00 L-03
/074 W

-----061315 111110Z /13

R 102055Z MAR 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 8510
INFO ALL EC CAPITALS
USMISSION GENEVA
USMISSION USNATO
AMCONSUL BORDEAUX
AMCONSUL LYON
AMCONSUL MARSEILLE
AMCONSUL NICE
AMCONSUL STRASBOURG

C O N F I D E N T I A L PARIS 08604

USEEC ALSO FOR EMBASSY

USMTN ALSO FOR MISSION

E.O. 11652: GDS
TAGS: EGEN, FR
SUBJ: ELECTIONS 1978 -- NATIONALIZATION ISSUE

REF: PARIS A-184, MAY 18, 1977 (NOTAL)

1. THE EMBASSY'S PREVIOUS REPORTING REGARDING THE
EFFECTS ON U.S. INTERESTS OF THE NATIONALIZATION ISSUE
HAS CONCENTRATED ON THE U.S. SUBSIDIARIES IN FRANCE,
ITT AND CII-HONEYWELL-BULL. U.S. INTERESTS -- AS WELL
AS THOSE OF OTHER THIRD COUNTRIES -- COULD ALSO BE
AFFECTED, HOWEVER, BY THE NATIONALIZATION OF FRENCH
COMPANIES WITH HOLDINGS IN U.S. FIRMS IN THE UNITED
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 08604 102214Z

STATES. THE EMBASSY WAS RECENTLY VISITED BY EDWIN L.
HARPER, VICE PRESIDENT OF CERTAINTEED CORPORATION OF
VALLEY FORGE, PENNSYLVANIA, WHICH IS 54 PERCENT OWNED
BY SAINT-GOBAIN-PONT A MOUSSON. MR. HARPER FEARS THAT
THE NATIONALIZATION OF SAINT GOBAIN, WHICH IS ON THE
COMMON PROGRAM'S SHORT LIST, COULD LEAD TO MINORITY
STOCKHOLDER SUITS AGAINST THE MEMBERS OF CERTAINTEED'S

BOARD OF DIRECTORS. OTHER FRENCH COMPANIES ON THE LIST TO BE NATIONALIZED WITH U.S. HOLDINGS INCLUDE COMPAGNIE GENERALE D'ELECTRICITIES, ROUSEL, UCLAF, P.U.K., AND THOMSON BRANDT.

2. AN ARTICLE IN THE MARCH 9 FINANCIAL TIMES ALLUDES TO POSSIBLE REACTIONS BY OTHER COUNTRIES TO THE NATIONALIZATION OF FRENCH COMPANIES WITH INTERESTS IN THEIR TERRITORY. THE CONSEQUENCES COULD VARY DEPENDING ON THE SITUATION IN THE COUNTRIES INVOLVED (E.G., SPAIN, BRAZIL), ACCORDING TO THE ARTICLE, INCLUDING THE RETALIATORY NATIONALIZATION OF FRENCH SUBSIDIARIES IN THOSE COUNTRIES. IN ANY CASE IT APPEARS THAT THE PROFITABILITY OF SOME OF THE IMPORTANT FIRMS ON THE COMMON PROGRAM'S LIST, WHICH DEPEND FOR A LARGE SHARE OF THEIR EARNINGS ON THE SALES BY THEIR FOREIGN OPERATIONS, COULD BE SERIOUSLY AFFECTED.

3. IN REPORTING THIS ASPECT OF THE "NATIONALIZATION" ISSUE, THE EMBASSY WISHES ONLY TO FLAG A FACET OF AN EXTREMELY COMPLEX ISSUE WHICH WILL REQUIRE CAREFUL STUDY AND ANALYSIS SHOULD THE LEFT WIN.
HARTMAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, ELECTIONS, FOREIGN INTEREST REPRESENTATION, BUSINESS FIRMS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS08604
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780109-0735
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780382/aaaacroh.tel
Line Count: 85
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6ba0acc9-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 PARIS A-184
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3372754
Secure: OPEN
Status: NATIVE
Subject: ELECTIONS 1978 -- NATIONALIZATION ISSUE
TAGS: EGEN, FR, US
To: STATE USEEC
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/6ba0acc9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014